GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:314
ANSWERED ON:24.03.2005
SAFEGUARDING OF NATIONAL CARRIERS
Rao Shri Devarakonda Vittal

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the National carriers will be hit by the decision to allow private airlines to operate on international air routes;

(b) if so, the loss likely to be incurred by the National carriers on the international routes as a result thereof; and

(c) the steps being taken by the Government to strengthen the National carriers in future?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b)&(c): A statement is laid on the table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 314 for reply on 24.03.2005 regarding ' Safeguarding of National Carriers'

(a), (b) & (c) : On international routes the national carriers operate in a competitive environment with airlines of several foreign countries operating to/from India. While allowing the private airlines to operate on international routes, various safeguards have been incorporated in the guidelines to protect the interest of our national carriers. Due consideration is being given to the operational plans of Air India and Indian Airlines before allocation of traffic rights to other eligible Scheduled Carriers. Gulf routes have been kept reserved for Air India and Indian Airlines for a period of three years. On other routes, entitlements have been granted to Air India and Indian Airlines based on the requests received from them and only the balance entitlements left thereafter have been allocated to the private airlines. Moreover, traffic size on most of the routes on which private airlines have been permitted to commence operations, is quite high and has been registering constant growth. As per our assessment, with more flights on these routes, there would be significant shift of traffic from the indirect carriers to direct carriers. As such there would be ample commercial opportunity for all the airlines on these routes. Our national carriers are also expanding their fleet through aircraft taken on lease / acquisition to avail these opportunities. In view of the foregoing, it is unlikely that our national carriers will be impacted adversely due to the decision to permit private airlines to fly on international routes except Gulf countries.